

# STATE BONDING FUND

## PERFORMANCE REPORT FOR SEPTEMBER 2001

11/9/2001

Assets as of September 30, 2001				* RATES OF TOTAL RETURN					
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	Year Ended 6/30/2001
				Sep-01	Jun-01	Mar-01	Dec-00		
LARGE CAP EQUITY									
Value									
LSV	116	2.5%	2.3%	-9.12%	8.10%	-0.57%	7.52%	-9.12%	28.80%
RUSSELL 1000 VALUE				-10.95%	4.88%	-5.86%	3.60%	-10.95%	10.33%
Growth									
Alliance Capital	111	2.4%	2.3%	-20.51%	10.03%	-20.15%	-17.25%	-20.51%	-30.23%
RUSSELL 1000 GROWTH				-19.41%	8.42%	-20.90%	-21.35%	-19.41%	-36.18%
Core									
State Street	443	9.4%	10.5%	-14.68%	5.81%	-11.93%	-7.82%	-14.68%	-15.00%
S&P 500				-14.68%	5.85%	-11.86%	-7.82%	-14.68%	-14.83%
<b>TOTAL LARGE CAP DOM. EQUITY</b>	<b>670</b>	<b>14.2%</b>	<b>15.0%</b>	<b>-14.82%</b>	<b>6.91%</b>	<b>-11.64%</b>	<b>-6.50%</b>	<b>-14.82%</b>	<b>-9.87%</b>
S&P 500				-14.68%	5.85%	-11.86%	-7.82%	-14.68%	-14.83%
SMALL CAP EQUITY									
SEI Investments	209	4.4%	5.0%	-20.00%	N/A	N/A	N/A	-20.00%	N/A
RUSSELL 2000 + 200 bp				-20.62%	N/A	N/A	N/A	-20.62%	N/A
<b>TOTAL SMALL CAP DOM. EQUITY</b>	<b>209</b>	<b>4.4%</b>	<b>5.0%</b>	<b>-19.93%</b>	<b>14.24%</b>	<b>-9.39%</b>	<b>-10.36%</b>	<b>-19.93%</b>	<b>-4.21%</b>
RUSSELL 2000				-20.79%	14.29%	-6.51%	-6.91%	-20.79%	0.57%
CONVERTIBLES									
Trust Company of the West	443	9.4%	10.0%	-15.83%	4.74%	-10.11%	-13.01%	-15.83%	-15.57%
F.B. CONVERTIBLE SECURITIES INDEX				-11.01%	4.12%	-6.24%	-12.31%	-11.01%	-11.87%
INTERNATIONAL EQUITY - Core									
Capital Guardian	439	9.3%	10.0%	-17.63%	0.94%	-8.89%	-7.10%	-17.63%	-24.42%
MSCI 50% HEDGED EAFE INDEX (1)				-16.41%	0.15%	-10.44%	-3.47%	-16.41%	-20.41%
FIXED INCOME									
Core - Index									
Bank of North Dakota	1,065	22.6%	22.5%	4.93%	0.31%	3.29%	4.24%	4.93%	11.02%
LB GOVT/CORP				4.76%	0.30%	3.20%	4.37%	4.76%	11.13%
Core Bond									
Western Asset	1,391	29.6%	27.5%	4.76%	1.18%	3.42%	4.29%	4.76%	12.62%
LB AGGREGATE				4.61%	0.56%	3.03%	4.21%	4.61%	11.22%
<b>TOTAL FIXED INCOME</b>	<b>2,456</b>	<b>52.2%</b>	<b>50.0%</b>	<b>4.83%</b>	<b>0.80%</b>	<b>3.36%</b>	<b>4.27%</b>	<b>4.83%</b>	<b>11.92%</b>
LB GOVT/CORP				4.76%	0.30%	3.20%	4.37%	4.76%	11.13%
CASH EQUIVALENTS									
BND - Money Market Account	486	10.3%	10.0%	0.90%	1.00%	1.40%	1.62%	0.90%	5.85%
90 DAY T-BILLS				1.08%	1.12%	1.51%	1.63%	1.08%	5.90%
<b>TOTAL FUND</b>	<b>4,703</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-4.36%</b>	<b>2.76%</b>	<b>-2.32%</b>	<b>-1.24%</b>	<b>-4.36%</b>	<b>0.43%</b>
POLICY TARGET BENCHMARK				-3.50%	2.28%	-2.02%	-0.75%	-3.50%	0.44%
TOTAL VALUE ADDED DUE TO									
Asset Mix				-0.22%	-0.29%	-0.08%	0.06%	-0.22%	-0.06%
Active Management				-0.68%	0.76%	-0.22%	-0.55%	-0.68%	0.05%
<b>Total Value Added</b>				<b>-0.90%</b>	<b>0.47%</b>	<b>-0.30%</b>	<b>-0.49%</b>	<b>-0.90%</b>	<b>-0.01%</b>

(1) Prior to October 1, 2000, the benchmark for this asset class was the MSCI *Unhedged* EAFE Index.

\* NOTE: Monthly returns and market values are preliminary and subject to change.  
Returns are net of management fees.